GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:470
ANSWERED ON:03.12.2004
ENACTMENT OF TOBACCO CONTROL ACT
Badiga Shri Ramakrishna

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has recently enacted the Tobacco Control Act;

(b) if so, the details thereof;

(c) whether Government is altering production limit in tobacco/cigarette sector of the domestic units to discourage consumption of tobacco product;

(d) if so, whether Government has permitted import of tobacco products in the country under OGL;

(e) the Government policy regarding FDI in this sector including that for a trading company;

(f) whether the Government policy is contradictory, as one side domestic manufacturers are confined to a particular limit of production whereas on the other side import is being permitted; and

(g) if so, Government`s reaction thereto ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a) & (b) Yes, Sir. The Cigarettes and other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003 was enacted in May 2003 for discouraging the use of cigarettes and other tobacco products. Important provisions of the Act applicable to the whole country are :

(i) Prohibition of smoking in a public place.

(ii) Prohibition of direct and indirect advertisement of all tobacco products.

(iii) Prohibition of sale of all tobacco products to a person below the age of eighteen years.

(iv) Prohibition of sale of all tobacco products within a radius of 100 yards of educational institutions.

(v) Mandatory depiction of statutory warnings (including pictorial warnings) on tobacco packs.

(vi) Mandatory depiction of tar and nicotine contents along with maximum permissible limits on tobacco packs.

(c) No, Sir.

(d) Yes, Sir.

(e) to (g) The Government policy does not permit foreign direct investment in tobacco / Cigarette sector. Cigars and Cigarettes of tobacco and manufactured tobacco substitutes are included in the list of industries for which industrial licensing is compulsory under Industries (Development and Regulation) Act 1951. 100% FDI is permitted in case of trading companies for export, bulk imports with expanded warehouse sales and cash and carry wholesale trading etc. No FDI is however, allowed in retail trading. Tobacco and tobacco products are freely importable.